

February 17, 2004

To: Local Enforcement Agencies (LEA) Grantees

Subject: Local Enforcement Agency (LEA) Grant Funds and Interest Reporting

Pursuant to a directive from the California Department of Finance (DOF), in November 2000, the Terms and Conditions to the LEA Grant Agreement were amended to include the requirement that LEA Grantees deposit grant funds into an interest-bearing account. This amendment became effective for the LEA Grant term beginning June 30, 2000.

Grantees are allowed to spend the earned interest for eligible expenses related to the solid waste facilities permit and inspection program. The full grant award must be spent prior to spending interest earned.

Earned interest shall be reported in the final accounting, which is due on or before one hundred-twenty (120) days after the end of the LEA Grant term. All financial records related to the grant must be maintained for possible audit for a minimum of three (3) years after the final payment, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. Failure to place grant funds into an interest-bearing account and to account for use of these funds may result in a DOF audit of your grant. Negative audit findings may necessitate a range of remedies, including the requirement of reimbursing the Board for any improperly accounted for funds.

If this requirement presents a major difficulty or, should you have any questions regarding this requirement or the Local Enforcement Agency Grant Program, please call Elaine Novak at (916) 341-6380.